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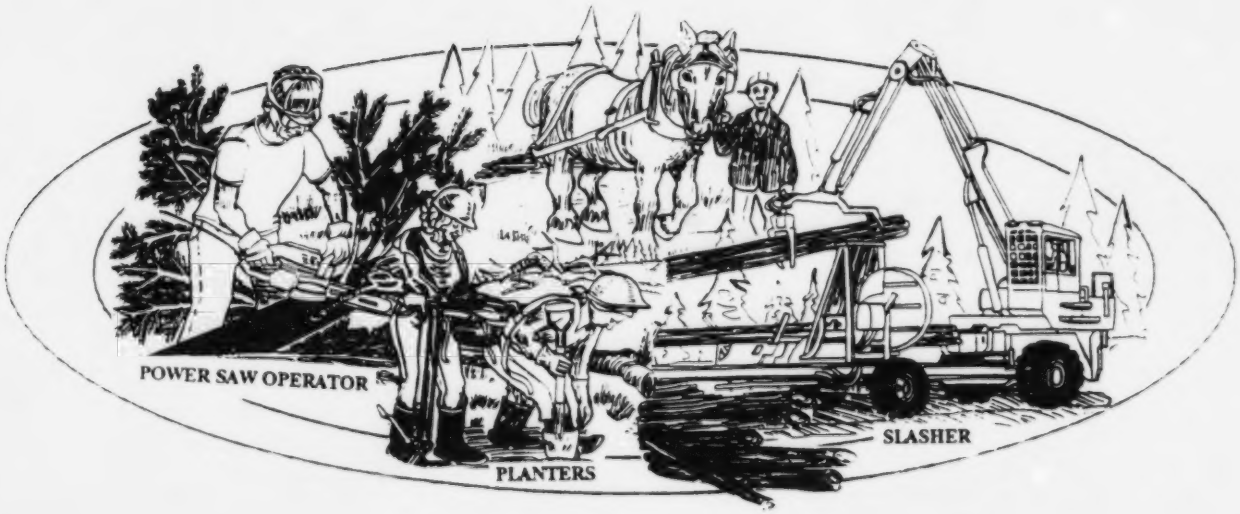
REPORT

of the

MINISTERIAL COMMITTEE

on the

LOGGING AND SILVICULTURE SECTORS



Fredericton, N. B.

May, 1989

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MINISTERIAL COMMITTEE

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LOGGING AND SILVICULTURE SECTORS

Fredericton, N. B.

May, 1989

Labour Policy
Labour Division
Department of Labour

Province of New Brunswick
P. O. Box 6000
Fredericton, N. B.
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May, 1989

ISBN 1-55048-060-X

Foreword

One of the goals of this government is to maximize employment opportunities directly and indirectly related to the forest sector. To achieve this goal it is critical that the natural and human resources in the logging and silviculture sectors be effectively managed.

In March, 1988, the government determined that the labour unrest which manifested itself in Bathurst in May, 1987, the numerous petitions of employee associations and unions, and the report of the Ministerial Task Force on Employment in the Northeast, A Long Road Ahead, signaled the need for a Province-wide review of the logging and silviculture sectors. A Ministerial Committee was formed for this purpose.

The composition of the Ministerial Committee on the Logging and Silviculture Sectors was as follows:

- Hon. Mike McKee, Minister of Labour, Chairperson;
- Hon. Morris Green, Minister of Natural Resources and Energy, Member;
- Hon. Aldéa Landry, Minister of Intergovernmental Affairs and President of the Executive Council, Member;
- Hon. Gérald Clavette, Chairman, Board of Management, Member;
- Hon. Alan Graham, Minister of Agriculture, Member;
- Hon. Vaughn Blaney, Minister of Municipal Affairs and Environment, Member;
- Hon. Russell King, Minister of Advanced Education and Training, Member; and
- Hon Douglas Young, at that time, Minister of Fisheries, Member.

The mandate of the Committee was to look at the human resource issues - problems and opportunities - confronting the logging and silviculture sectors -

- to develop short and long term strategies which maximize employment in the logging and silviculture sectors and recognize workers' rights to fair and equitable treatment and employers' interests in a reasonable return on investment;
- to assess the applicability of the findings, suggestions and recommendations in A Long Road Ahead, by reviewing comparative information on other areas of the Province; and
- to encourage the private sector to provide leadership and initiative, both in eliminating impediments and in maximizing employment opportunities, in the logging and silviculture sectors.

Several meetings were held to discuss the issues confronting the industry and it was determined that the Committee would use a multi-faceted approach to problem solving. First, the Minimum Wage Board was asked to undertake a review of the appropriateness of establishing a special minimum wage schedule for categories of employees employed in the logging sector on Crown land. Second, employees with knowledge, skill and expertise relative to other areas to be studied were asked to undertake a province-wide study of the logging and silviculture sectors. Third, the Committee met regularly to discuss and review the issues confronting the logging and silviculture sectors.

Minimum Wage Board Review

This was the first time that the Minimum Wage Board had been asked to consider the appropriateness of establishing a minimum wage schedule for categories of employees employed in the logging sector on Crown Land. Therefore, the Board was encouraged to take the necessary time to fully consult with the affected parties and evaluate the social and economic impact of its decision.

In the months that followed, the Minimum Wage Board sent out questionnaires to the parties directly affected advising that a study was being undertaken and requesting written submissions. In addition, public notices were inserted in newspapers in the Province requesting that interested persons contact the Department of Labour for information with respect to submissions to the Board. A total of twelve briefs were received by the Board and after a number of meetings the Board submitted its report to government.

Province-Wide Study

The report of the Ministerial Committee on Employment in the Northeast, A Long Road Ahead, provided excellent information with respect to current concerns in the Northeast. However, the same type of information was not available with respect to other areas of the Province and it was subsequently determined that the Committee gather information with respect to the rest of the Province.

It was resolved that a province-wide study be undertaken. Ray Campbell was appointed as co-ordinator and six government employees with knowledge and expertise relative to the areas to be studied were seconded to gather information on the logging and silviculture sectors. The study was divided into two major segments, the human resource and the natural resource. These two segments were then divided into eight components:

- Employment Standards Component,
- Occupational Health and Safety Component,
- Labour Management Relations Component,
- Job Creation and Employment Development Component,
- Training and Development Component,

- Resource Utilization and Harvesting Operations Component,
- Access to Job Sites - Roads and Highways Component, and
- Scaling Standards and Verification Component.

Seconded personnel were assigned to particular areas and worked closely with appointed liaison persons from each department or agency in carrying out their role. Four months were allocated for completion of the study.

During this four month period, the personnel seconded to the study undertook a comprehensive analysis of the logging and silviculture sectors. Information required for the study but not readily available was gathered through personal contact with the work force and industry and by utilizing a series of questionnaires. In addition, meetings were held with groups and individuals, research projects were initiated, and studies and reports were analyzed. On completion of the study, the information was submitted to the Ministerial Committee.

Committee Deliberations

The Ministerial Committee met on an on-going basis while the Minimum Wage Board and seconded personnel undertook their studies. A number of groups requested meetings with the Committee and members of the Committee made a point to visit several logging sites. The Committee developed a new scaling policy on Crown land for non-union employees and also directed implementation of new initiatives with respect to employee provided living accommodations and safety in the work place.

After a review of the findings of the Minimum Wage Board and the information gathered by the employees seconded to the province-wide study, each department/agency with responsibilities directly related to the logging and silviculture sectors was asked to meet with the Committee. The purpose of these meetings was to encourage dialogue on the issues. There are a number of departments/agencies with responsibilities relative to the logging sector and this exercise provided each department/agency with an opportunity to hear presentations from other departments/agencies as well as to discuss the issues confronting their department.

Following the meetings with government departments and agencies, the Ministerial Committee arranged to meet with representatives from the industry. The Committee advised the industry that it wanted to hear firsthand the views of the industry with respect to the opportunities confronting the industry, their concerns and the solutions to these concerns. The Committee first met with union and employee association representatives. Following this, the Committee met with licensee, sub-licensee, contractor and marketing board representatives.

Purpose of Report

The purpose of this report is to provide a brief overview of the findings and conclusions of the Ministerial Committee with respect to the logging and silviculture sectors. The focus of the report is employment and employment related issues confronting the logging and silviculture sectors:

- remuneration and standards of employment;
- health and safety conditions;
- labour management relations;
- human resource planning;
- training; and
- employment development which includes
  - harvesting,
  - silviculture,
  - resource utilization,
  - scaling, and
  - access roads.

It is the hope of this Committee that the information contained herein will assist government in formulating long and short-term strategies for the logging and silviculture sectors as well as assist and encourage the industry in providing leadership to remove some of the impediments identified.

Hon. Mike McKee
Minister of Labour
Chairperson

Hon. Morris Green
Minister of Natural Resources and Energy
Member

Hon. Aldéa Landry
Minister of Intergovernmental Affairs and
President of the Executive Council
Member

Hon. Alan Graham
Minister of Agriculture
Member

Hon. Gérald Clavette
Chairman, Board of Management
Member

Hon. Russell King
Minister of Advanced Education
and Training
Member

Hon. Vaughn Blaney
Minister of Municipal Affairs
and Environment
Member

May, 1989

ACKNOWLEDGEMENT

The Ministerial Committee would like to express their appreciation to the many individuals and groups who assisted them during this study. It is hoped that this report will lead to a better understanding of employment and working conditions in the logging and silviculture sectors.

The contribution of the private sector - woodsworkers, unions, employee associations, private woodlot owners, marketing boards, contractors, sub-licensees, licensees, and employer associations/groups - must be acknowledged. Your time, patience and promptness in providing information required to complete this study was very much appreciated. For this we thank you.

The contribution of the public sector - through staff resources and guidance provided by departments and agencies - was of the highest quality and each is to be commended for their contribution. A special word of thanks to the secretaries, translators, researchers and administrative staff.

In particular, the Committee very much appreciated the contribution of the individuals who gathered information for the province-wide study - Victor Leger, Peter MacLean, and Cleveland Allaby from the Department of Labour; Fred Hoyt from the Occupational Health and Safety Commission; Richard (Dick) Corey from the Department of Advanced Education and Training; and Les Wright and Valerie Fowler from the Department of Natural Resources and Energy - as well as the contribution of the Co-ordinator of the study, Ray Campbell. The knowledge, expertise and dedication of the entire team, in gathering the required information in the short timeframe allocated, is to be commended. Finally, a special word of thanks to Marilyn Colwell from the Department of Labour for her excellent work with the Committee.

In closing, particular attention should be drawn to the co-operation between the private sector and government departments and agencies throughout this study. It is hoped that this will stand as a model for future studies of mutual concern.

Note: Drawings on cover copied from "Miramichi Pulp & Paper Inc. Woodlands Division 1987".

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A HUMAN RESOURCE STRATEGY
FOR THE
LOGGING AND SILVICULTURE SECTORS

PART I: OUR RESOURCES

1. OUR FOREST RESOURCE

Our forest resource provides direct employment for 6,000 persons in the logging and silviculture sector[1] while another 9,000 are employed in industries or services dependent on the forest industry or the income it generates. It has been estimated that our forest resource - both directly and indirectly - generates one job in seven in the provincial economy and provides nearly $338 million in wages and salaries to those employed.

Logging, pulp and paper and sawmills account for almost a quarter of all goods produced in the Province. Forty-five percent of the Province's total exports are related to our forest resource.

Pulp, paper and allied industries employ almost forty-two percent of those working in forest-based processing and contribute 57 percent of the value of output. Pulp and paper mills in the Province employ approximately 5,400 workers. Pulp and paper utilizes approximately 51 percent of the total wood fiber required by primary processing plants in the Province of which 87 percent is softwood and thirteen percent is hardwood.

---

1 Figures as to the exact number of people directly employed in logging and silviculture operations vary according to the source. Workers Compensation Board figures are based on information filed at the Board by employers with at least three or more employees working at the same time; Department of Finance Tax Administration Branch figures (4,250) are based on the number of tax exemptions granted to persons or firms classed as woodsworkers; Employment and Immigration Canada figures (5,277) are based on unemployment statistics for the twelve month period in 1987 for all regions in New Brunswick; and Department of Natural Resources and Energy figures (7,028) are based on an estimate of the work force.

There are approximately 140 commercial sawmills in the Province. Almost two-thirds of the Province's saw mill capacity is owned by the pulp and paper industry as part of an integrated operation.

The intensive use of our forest creates employment - in the management, harvest and transportation of the resource as well as in the manufacture of products. Decisions with respect to the logging and silviculture sectors have a critical impact not only on these sectors but on secondary forest industries as well. It is evident that if the Province is to maximize employment opportunities, directly and indirectly related to the forest sector, we cannot continue to look at the natural and human resource in isolation.

One of the key objectives of the Province's economic strategy is to ensure a stable, viable forest industry providing a steady source of employment and income to the people of New Brunswick. To achieve this objective, the basic forest management objective must be to determine the maximum harvest level which can be sustained and having defined the maximum sustainable yield, to ensure this level is met.

The importance of planning cannot be over stressed. Plans must include provision for the development of the human resource as well as the natural resource. Plans for the human resource must ensure that workers are fairly and equitably treated in the work place and that workers have the skills and training required to maximize the investment in the natural resource. Plans for the natural resource must provide for harvesting, budworm protection, silviculture treatments - planting new trees and thinning of young stands to speed up growth - measuring systems, and access roads, to ensure that our forest resource provides the maximum number of jobs to New Brunswickers.

2. OUR HUMAN RESOURCE

A. Our Woodsworkers

The average age of our woodsworkers is 38.5. Two thirds of the woodsworkers interviewed were married and two thirds of those married have children.

The logging and silviculture sector work force is fragmented and dispersed throughout the Province. Workers often work away from home and family for extended periods of time or travel long distances to get to their work. Workers incur substantial

expenses relative to the income earned - power saws must be purchased and maintained, safety equipment/clothing is expensive and travel or living expenses are often high.

Woodsworkers are employed in a number of different occupations:

- power saw operator - full-tree,
- power saw operator - tree length,
- power saw operator - trail-cut,
- skidder operator,
- porter operator,
- piler,
- harvesting supervisor/foreman,
- slasher operator,
- loader operator,
- delimber operator,
- feller-buncher operator,
- feller-forwarder operator,
- processor operator,
- chipper operator,
- mechanic (harvesting/silviculture),
- silviculture planter,
- scarification operator,
- silviculture foreman, and
- silviculture chain saw operator.

Seventy-two percent of the woodsworkers interviewed during the course of this study worked for contractors. Twenty-two percent were employed by licensees or sub-licensees. Three percent were employed by the large freeholds, and two percent by private woodlot owners. Forty-eight percent of the woodsworkers interviewed had been employed by their current employer for over two years.

Just under seventeen percent of the woodsworkers surveyed during the course of this study were members of a union - the Canadian Paperworkers Union or the United Brotherhood of Carpenters and Joiners. Just over thirteen percent were members of an employee association - the Association des Bûcherons du N.-B. or the Central N. B. Woodcutters Association. Some woodsworkers indicated that they were a union member and a member of an employee association.

B. Our Employers

(1) Licensees, Sub-Licensees and Contractors

Forty-nine percent of the productive forest land in New Brunswick is owned by the Crown, two percent of this area is Federal Crown land. Eighteen percent of our forest resource is industrial freehold. Crown lands are administered and controlled by the Department of Natural Resources and Energy.

Under the Crown Lands and Forests Act, Crown timber licenses and Crown timber sub-licenses are issued. The holder of a Crown timber license, referred to as a "licensee", owns or operates a wood processing facility in the Province. There are ten Crown timber licenses in the Province. These ten licenses cover approximately three million hectares of productive forest land (see Appendix A). Upon payment of a royalty,[1] the licensee becomes the owner of timber harvested on the license.

The holder of a Crown timber sub-license, a "sub-licensee", also owns or operates a wood processing facility in the Province. A Crown timber sub-license entitles the sub-licensee to a prescribed allocation of the annual allowable cut of timber on the lands managed by the licensee.

While there is a formal review of the licensee performance every five years after issuing a Crown license, if at at any time, it is determined that the licensee is in default of any provision or agreement made under the Crown Lands and Forest Act, the Minister may impose a penalty against the licensee as specified by regulation, suspend the license for any period or, with the approval of the Lieutenant-Governor in Council, cancel the license.

The licensee is ultimately responsible for harvesting and forest renewal operations carried out on the license in accordance with the various plans filed with, and aproved by, the Minister of Natural Resources and Energy. Nevertheless, much of the implementation of the above operations is carried out by contractors.

---

[1] The Royalty for each class of timber is based on the fair market value of standing timber as determined by the Lieutenant-Governor in Council. The Minister is allowed some latitude in setting the royalty where it is necessary for the development, utilization, protection or integrated management of the resources on Crown lands.

The decision of the licensees/sub-licensees to have contractors carry out the cutting operations has many practical advantages. The local economy is stimulated; as well, local entrepreneurs have an opportunity to become involved in harvesting and silviculture operations. Local contractors hire their own woodsworkers, deal with human resource matters, and develop essential skills required to operate small businesses.

Workers Compensation figures indicate that currently there are 632 employer contractors in the Province working in the logging and silviculture sectors. In 1981, there were 566 employer contractors.

(2) Private Woodlot Owners and Marketing Boards

Private Woodlot Owners

The Crown Lands and Forests Act states that the Minister of Natural Resources and Energy shall encourage private forest lands as the primary source of timber for wood processing facilities in the Province and with the approval of the Lieutenant-Governor in Council, may initiate programs for such purposes.

A snapshot of the private woodlot owner sector, taken in 1982, reveals that 33 percent of New Brunswick's forested land is owned by small private woodlot owners. This group, comprised of approximately 30,000 individuals, owns approximately 1,794,547 hectares of forest land. Private woodlot owners contribute $90 million a year to the economy. Furthermore, the potential contribution of our private woodlots to the future of the forest industry is even more significant but that potential is contingent upon sound management of the private woodlot resource. Needless to say, with 30,000 decision makers, the task of maximizing the potential contribution from our private woodlot forest resource becomes a real challenge.

Marketing Boards

Responsibility for the marketing of private woodlot primary wood products rests with regional marketing boards.

Marketing boards have been established under the same legislation as agricultural marketing boards. The purpose of this legislation is to "provide for the promotion, control and regulation within the Province in any or all respects of the marketing of 'farm products' over which the legislative jurisdiction of the legislature extends...". The

structure and powers of each forest product marketing board are set out in separate regulations to the Act. In addition to their marketing role, the Regulations for six of the Boards state that the purpose of the marketing board is also to encourage the production of high quality products. Appendix B shows the boundaries of the seven marketing boards.

The Forest Products Negotiating Agencies Regulation outlines the steps and dates of the negotiating process between the marketing boards and the mills. The Forest Products Commission ensures that negotiations proceed, that problems encountered are resolved with the help of conciliators and/or arbitrators and that contracts, once signed, are upheld.[1]

The Natural Resources and Energy primary source of supply policy allocates minimum volumes of wood to be bought from marketing boards before Crown land can be harvested. The ability of marketing boards to supply these volumes both now and on a long-term basis is dependent on many factors including: the land owner; the price; the availability of manpower, machines and trucks; the level of support for the marketing board; the health of the forest resource and the forest management initiative.

Private woodlot owners and marketing boards have a significant role to play in our forest sector.

---

1 The Forest Products Commission was established in 1971 by the Minister of Agriculture under the Forest Products Act (transferred to the Department of Natural Resources in 1979). Its main function at that time was to oversee the formation of Marketing Boards and to oversee plebiscites.

PART II: CRITICAL EMPLOYMENT ISSUES

1. INTRODUCTION

A plan to maximize employment opportunities in the logging and silviculture sector must include provision for the fair and equitable treatment of woodsworkers recognizing the employers' interests in a reasonable return on investment.

To achieve this goal, a number of critical issues must be addressed, these include remuneration and standards of employment, health and safety standards, labour management relations, human resource planning, training and employment development.

2. REMUNERATION AND STANDARDS OF EMPLOYMENT

A. Employment Standards Act

Minimum standards of employment are set out in the Employment Standards Act of New Brunswick proclaimed December 1, 1985. These standards guarantee employees working in the public and private sector certain minimum standards of employment will be provided by their employer.

The rights and obligations of employees and employers defined by this statute include such matters as minimum wage, hours of work, rest periods, public holidays, vacation, unjust dismissal and related unfair employer action, notice of termination, prompt payment of wages, equal pay for work of equal value, wage protection, employment of children, maternity leave, and lie detector tests. Effective April 1, 1989, the Act provides an important, new mechanism for the recovery of wages.

Where a person feels that the minimum standards of employment set out in the Employment Standards Act are not being adhered to, a complaint can be filed with an Employment Standards Officer of the Employment Standards Branch of the Department of Labour. A toll free line has been set up to allow easy access to the Employment Standards Officers (1-800-442-4423). An Employment Standards Officer has the

authority to investigate any complaint. This authority includes the power to request that the employer provide payroll or other records.

B. A Complex and Controversial Issue

The remuneration aspect of this topic is one of the most complex and controversial issues dealt with by this Committee.

To gain a full appreciation of all aspects of the issue, it is necessary to look at a number of elements to the debate. These elements include the actual earnings of the worker; work-related expenses; piecework rates, bonuses and adjustments; a special minimum wage; scaling; and general standards of employment.

Actual Earnings

The average net weekly earnings of woodsworkers surveyed during the course of this study ranged from $150 to over $750 with 51 percent of those surveyed earning between $351 and $550. The average net weekly earnings were $397.58. The price paid per cord varied. Forty-seven percent of the woodsworkers worked in excess of 44 hours per week. Those surveyed worked anywhere from 10 to 52 weeks - the average being 23.

Ninety-three percent of those interviewed supplemented their income with unemployment insurance. The peak unemployment period for people who are classed as involved with woods work for 1987 was found to be April - 4,300 persons collected benefits during that month.

Work-Related Expenses

Work-related expenses were examined. After considerable deliberation the figure of $125 per week, the same figure used in A Long Road Ahead, was accepted as an accurate estimate of worker expenses. It was found that Revenue Canada does not allow the woodsworker to deduct travel costs associated with woods work. It was also found that workers provide their own chain saw costing anywhere from $650 to $1000.

Piecework Rates, Bonuses and Adjustments

Most woodsworkers are paid on a piecework rate. They are paid for the volume of merchantable wood cut or on the basis of their production. The cutter is assigned an area and told what to cut. After the wood is cut, the undersized, misshapen and dead trees are removed and the cutter is paid for the merchantable wood. There may be further complications if the purchaser or mill rejects the wood because it does not meet certain established criteria. The woodsworker incurs the same costs in cutting non-merchantable wood as he does merchantable wood.

The "chance of cutting area assigned" has a significant bearing on the earnings of the woodsworker. The area assigned to the cutter, the quality of the "stand", terrain and the specie mix, all have a significant impact on productivity. In other employment relationships when the piecework rate is used, the employee does not have to do work for which he will not be paid.

Although there is a steady move by the industry toward mechanization and a decline in the number of trail cutters, it appears that conventional harvesting methods will remain in place for years to come. Conventional crews will be used to harvest stands that are smaller as well as stands on difficult terrain and those that require selective cutting or special treatment to suit a particular need.

Special Minimum Wage for Categories of Employees

The Minimum Wage Board considered the appropriateness of establishing a special minimum wage schedule for categories of employees employed in the logging sector on Crown land. Questionnaires were sent out to the parties directly affected and notices were inserted in newspapers in the Province advising that the study was being undertaken and requesting written submissions. Twelve briefs were received - seven against, two in favour, and three cautioning the Board to proceed very carefully, if at all. The Board, composed of equal employee and employer representation and an independent Chairperson, carefully weighed and considered the implications of its decision.

The conclusion of the Board was that a special minimum wage schedule should not be established at this time for categories of employees in the logging sector on Crown land. The Board's report indicated that it was "far too complex to establish the many rates needed for each classification in order to compensate adequately for the numerous factors dictating the 'chance' as well as the many rates needed to address the varying

measuring systems used throughout the industry and the varying operational methods." The Board advised that some of the factors leading to its conclusion were that worker classifications were not clearly defined, that it would be difficult to administer or police a special minimum wage standard, and that it did not seem feasible to implement a system applicable only to Crown land.

After a thorough discussion of the issues and the report of the Minimum Wage Board, this Committee concurred with the Minimum Wage Board's recommendation - that it would not be appropriate at this time to establish a minimum wage schedule for categories of employees on Crown land in the logging and silviculture sectors. Nevertheless the Committee was concerned that there were some real problems related to the remuneration of workers that needed to be resolved.

Scaling (for the purposes of remuneration) on Crown land

Scaling is complex and those who are licensed to carry out scaling on Crown land must meet stringent requirements thereby assuring high scaling standards. Spot checks are done at random throughout the Province to ensure wood is properly scaled and the system is effective for measuring wood products.

Scaling for the purposes of remuneration is another issue. The Ministerial Committee finds that the majority of workers have little or no understanding of scaling. The workers' method of evaluating production is usually the cord. They translate this into dollars paid in wages per cord.

One must consider the various measures - the cubic meter, stacked cubic meter, metric tonne, butt diameter and butt diameter by class - from the workers perspective. One must also consider the ability of the worker to convert these units to cords or cunits and the fact that actual scaling may take place at the site, at the roadside or at the mill and workers sometimes do not receive any type of documentation indicating how much wood they cut.

Different scaling systems are required for different purposes. A system suitable to scale pulpwood is rarely suitable to scale logs, whether hardwood or softwood, nor is a shortwood scaling system suitable for the mechanized full-tree harvesting system. The scaling system is linked to the harvesting system and harvesting systems are constantly evolving.

Following its review of A Long Road Ahead and discussions with the Association des Bûcherons du N.-B., the Ministerial Committee requested that the Department of Natural Resources and Energy introduce a new scaling procedure on Crown land where scaling was used for purposes of remuneration of non-unionized workers. During the 1988 cutting season, a pamphlet outlining the new policy titled "Notice to Cutters Working on Crown Land" was distributed to the industry. The pamphlet reads as follows:

> To make sure that cutters are paid fairly for their work, the provincial government has set new rules for scaling. These new rules are based on the recommendations made in the Ministerial Task Force Report on Logging Sector Employment in the Northeast entitled "A Long Road Ahead".
>
> These scaling rules are to be followed by licensees and sub-licensees on all Crown land harvesting operations except unionized operations or where cutters are paid by the hour.
>
> 1. Scalers scaling for the payment of cutters must be employed by licensees or sub-licensees. Scalers cannot be hired directly by contractors.
>
> 2. When timber is scaled in the woods for the payment of cutters:
>
>   - the scaler must give a signed copy of the scale slip to the cutter;
>   - the cutter must acknowledge receipt of the scale slip by signing it; and
>   - the timber must be left in the woods (in the original pile) for at least 48 hours after the cutter has received his copy of the scale slip.
>
> 3. When a cutter's timber is being scaled at the mill, the licensee or sub-licensee must give to the cutter at least twice each week:
>
>   - a copy of the truck load delivery slip and
>   - a copy of the matching mill scale slip.
>
> 4. When a cutter feels his scale is not accurate:
>
>   - He can ask for a check scale or investigation by a Department of Natural Resources and Energy scaler.
>   - Department staff will respond to any request for a check scale within 24 hours.
>
> 5. The Department of Natural Resources and Energy has hired qualified, experienced scalers to carry out random spot checks of scaled wood to compare with the scale provided to cutters by licensee or sub-licensee scalers.

Although the new scaling policy was only implemented during the 1988 cutting season and it is not possible to fully guage its effectiveness at this point, the Committee

has been advised that the new policy has improved the situation for the worker. The worker receives an indication as to the amount of wood he has cut and has an opportunity to have the figure verified. If he is not paid for all the wood cut, he has something on which to base his complaint to an Employment Standards Officer.

Standards of Employment

In 1987, the Department of Natural Resources and Energy estimated production of hardwood and softwood to be 9,143,000 cubic meters - 58 percent of this wood was cut on large freeholds and small private woodlots - areas which are not covered by the scaling policy outlined above. This group of workers has also encountered problems with respect to remuneration.

There are provisions in the Employment Standards Act which deal specifically with remuneration that apply to woodsworkers as well as other workers. An employer is to pay his employees at such times that the interval between pays is not longer than sixteen days and the employee's pay is to include all wages earned up to and including a day that is not more than seven calendar days prior to the time fixed for payment. The Act also provides for vacation pay. Furthermore, an employer is required to maintain certain records with respect to each employee - including the number of hours worked each day and each week, the employee's wage rate and gross earnings for each pay period, and vacation pay due or paid to the employee. If an employer fails to maintain accurate records in accordance with the Act, the Director of Employment Standards or the Employment Standards Tribunal may accept the evidence of the employee with respect to his employment and the onus of proving the contrary rests with the employer.

Many employers in the logging and silviculture sectors are not keeping employee records in accordance with the Employment Standards Act. While this does not necessarily mean that workers are not being fairly remunerated, it may explain why so many workers feel that they are not receiving the money which they have earned. It also points to the potential for abuse. The system of remuneration in the logging and silviculture sectors as well as in other sectors must not only be fair, it must be perceived to be fair. This is an essential element to good labour management relations. If employers adhered to the requirements in the Employment Standards Act and their records were randomly inspected by Employment Standards Officers, workers confidence in the system of remuneration could be restored.

The standards set out in the Employment Standards Act are very comprehensive and extend beyond those already discussed with respect to remuneration. The

employment arrangement of some workers in this Province is such that the workers may not qualify for some of the benefits to which other workers are entitled under the Employment Standards Act. This is sometimes the case with woodsworkers working on a seasonal basis. For example, in some instances seasonal woodsworkers might have difficulty qualifying under notice of termination provisions because of the exclusion for employees laid off as a result of normal reduction, closure or suspension of an operation.

There are specific standards and benefits under the Employment Standards Act which are applicable to woodsworkers. However, in many cases employees and employers are not aware of the provisions of the Act and rights and obligations are not being met.

Most instances of abuse by the employer appear to stem from lack of knowledge and this appears to be most prevalent at the contractor level. The industry has seen a rapid growth in the number of contractors. Many of the contractors have no business training and simply are not aware of the requirements in the Act with respect to standards of employment.

Equally important, many woodsworkers were found to have little or no knowledge of the Employment Standards Act. They did not know they were entitled to certain rights nor were they aware of the toll free complaint line.

C. A Remuneration and Employment Standards Strategy

The problem in the logging and silviculture sectors with respect to remuneration and standards of employment is a serious one. Nevertheless, the answer does not lie with establishing a special minimum wage schedule for workers involved in the logging and silviculture sectors on Crown land.

Implementation of the new scaling policy on Crown land has ensured non-unionized workers on Crown land that they will receive a copy of the scale bill. It has also ensured workers that their wood is scaled by a licensed scaler. Both of these measures have significantly improved worker confidence in the system. It has also provided documentation of production and assisted Employment Standards Officers in resolving disputes. Where workers or Employment Standards Officers have encountered problems with respect to the system, officials at the Department of Natural Resources and Energy have carried out spot checks and provided information with respect to measures.

The new scaling policy, which includes random spot checks, should be continued. To ensure that the policy meets the needs of the workers, it should be reviewed annually. As well, the collaboration between officials from the Department of Labour and Natural Resources and Energy has proved very effective in resolving problem situations and should continue.

Finally, if the Province is going to have minimum standards, those standards must be enforced. In developing a solution to the standards problem, it must be recognized that the logging and silviculture sectors are unique and a unique solution is required.

Both employees and employers must be made aware of their rights and obligations under the Employment Standards Act and, having raised the level of awareness, enforcement mechanisms must be put in place to ensure compliance. Employer and employee awareness seminars must be conducted. The employer sessions should make employers aware of the requirements of the Employment Standards Act and generally promote equitable employment practices within the industry. The employee sessions should ensure that employees are aware of their rights and the avenues of redress.

To accomplish this, the Employment Standards Branch of the Department of Labour must intensify its efforts with respect to the logging and silviculture sectors. In addition to the education effort, Employment Standards Officers must travel throughout the Province, randomly moving from cutting site to cutting site, inspecting employer records to ensure that proper records are maintained. Employees must be assured that they are receiving the benefits to which they are entitled under the Act.

D. Recommendations

1. The Ministerial Committee recommends that government accept the recommendations of the Minimum Wage Board - that it is not appropriate at this time to establish a special minimum wage schedule for workers involved in the logging and silviculture sectors on Crown land.

2. The Ministerial Committee recommends that government review annually the new scaling policy for non-unionized workers on Crown land to determine if improvements are required.

3. It is further recommended that Employment Standards officials continue to work closely with Natural Resources and Energy officials with respect to the new scaling policy.

4. The Ministerial Committee recommends that the Department of Natural Resources and Energy continue to employ individuals to carry out random spot checks of scaling on Crown land.

5. The Ministerial Committee recommends that the Department of Natural Resources and Energy develop a brochure or information package designed to increase the woodsworkers understanding of the measures used in scaling.

6. The Ministerial Committee recommends that the human resource allocation to the Employment Standards Branch of the Department of Labour be increased and that the Department immediately initiate an Employment Standards education and enforcement program to ensure employees and employers are aware of their rights and obligations under the Employment Standards Act to ensure that proper payroll records are being kept by employers and to ensure that employees are being paid within the time limits set out in the Act.

3. HEALTH AND SAFETY STANDARDS

A. Occupational Health and Safety Act

The objective of the New Brunswick Occupational Health and Safety Act, assented to August 5, 1983, is to ensure a safe and healthy work environment. The Occupational Health and Safety Commission is responsible for enforcing this legislation. Through a variety of inspection and education programs, the Commission endeavours to enforce the standards set out in the Act. The objective is to eliminate worker exposure to health and safety hazards in the work place and to reduce the cost of occupational accidents and illnesses to the worker and the employer.

The Act requires that an employer take every reasonable precaution to ensure the health and safety of workers. Workers must receive information, instruction, training and supervision to ensure their health and safety. Employers must be certain protective equipment is maintained in good order. However, the onus does not rest solely with the employer; employees are required to conduct themselves in such a way as to ensure their own health and safety. In addition, the Act requires that employers with 20 or more regular employees establish a health and safety committee composed of worker and management representatives.

A comprehensive Occupational Safety Code accompanies the Act. The Code covers a whole range of issues including sanitation, accommodation, first-aid, and sections dealing specifically with the logging sector. For example, sufficient first-aid supplies must be kept and maintained at every logging operation and there is also instruction with respect to the safe operation of saws, skidders, and forwarders. The Code also deals with the wearing of safety equipment, the proper felling of trees and requires that roads be kept in a safe condition.

B. Living Accommodations

In some cases, employers provide accommodations for their woodsworkers. No problems were encountered with employer provided living accommodations during the course of this study.

Where no employer accommodation is provided and the distance from home to work is such that the worker cannot travel, the employee will often provide his own living accommodations close to the worksite. The term "batch camp" is commonly used when referring to accommodations provided by the employee. Workers live in these camps, cook their food, sleep and dry their clothes. In many instances these workers do not have access to running water, toilets and showers.

Factors that impact on the workers decision to set up their own living accommodations are the distance traveled from home to the worksite, the length and time spent traveling and the cost of that travel. The study found distance to be traveled is determined by the availability of work. Other considerations affecting travel include the availability of local labour, the location and size of cutting blocks and the degree of mechanization.

In response to Committee concerns with respect to "batch camp" conditions, the Occupational Health and Safety Commission drafted new batch camp guidelines. These guidelines were sent to all licensees, sub-licensees, and contractors in the Province during the 1988 cutting season and inspections were carried out to ensure compliance. These guidelines required that employers provide workers living in batch camps on Crown land amenities such as potable water, showers and flush toilets.

Twenty percent of the woodsworkers interviewed during this study feel that no improvements are necessary. Fifty-five per cent are willing to tolerate "batch camp" living provided basic services such as potable water, showers, flush toilets and cook

houses are available. Twenty-five percent consider "batch camps" to be worker exploitation and feel they should be replaced by company owned and operated camps.

Where employee provided living accommodations were found, most contracts were very small. Many contractors, particularly those working for sub-licensees, were required to cut small blocks of timber in two or more locations in order to complete their contract. Other contractors cut a particular specie and this required that they travel to as many as five sites. In some cases contractors had to relocate every four to five weeks.

The contractors' position was that given the present pricing structure, the size, and the duration of the contracts, the contractor is not in a position to absorb the overhead costs associated with providing living accommodations. Some workers interviewed also felt their employer could not provide living accommodations. Others felt their employer would not provide living accommodations. In still other cases, workers felt their jobs were "in the balance" if employee provided living accommodations were abolished.

C. Health and Safety Hazards

The Report of the Ministerial Task Force on the Northeast, A Long Road Ahead, outlined a number of concerns with respect to health and safety conditions at logging sites. Therefore, this was a matter of particular concern to the Committee.

In response to Committee concerns, the Occupational Health and Safety Commission, in co-operation with St. John Ambulance, arranged to conduct a first aid training program for woodsworkers during the 1988 cutting season. Employers participating in the program paid $10.00 per employee. Approximately 1,000 workers participated in this program before it was completed.

A review of health and safety hazards at the worksite was also undertaken. Whenever logging sites were visited, every opportunity was seized to observe the woodsworkers as they carried out their day-to-day tasks at the stump. Numerous concerns with respect to worker safety arose out of these observations.

It was found that there are a number of inter-relating variables that impact significantly on worker safety at the cutting site. These include the skill level of the worker; the competence and availability of supervision; whether the employer was a licensee, sub-licensee or contractor and whether the employee's pay was dependent on what he produced.

The skill level of workers was found to vary from worker to worker. Although the majority of workers observed possessed an "acceptable skills level", there were others whose skills were inadequate. Because of the short work period, there does not appear to be much incentive for additional training. If such training could be directly linked to increased productivity and longer work periods, workers would be more interested in training.

Most supervisors observed at the worksite, did not appear to adequately carry out their responsibilities with respect to safety. This was particularly true on the operations of sub-licensees and private woodlots.

Workers generally wore personal protective equipment with the exception of eye and hearing protection devices. Although there were exceptions, the level of awareness and compliance with the Occupational Health and Safety Act and Regulations decreased the further away from the licensee operations one moved. This was also true with respect to skill level and training.

Many of the workers interviewed were aware of health and safety regulations in the work place. However, some indicated they had to take risks in order to produce enough wood to make a reasonable salary.

D. Forest Road Conditions

Occupational Health and Safety Commission officers routinely inspect roads leading to camp sites to ensure that they are close to cutting sites and well maintained to evacuate workers in the event of injury or fire. As a result of concerns expressed by the Ministerial Committee, the Commission directed that these inspections be increased during the 1988 cutting season; as well, personnel assigned to the study were asked to make particular note of the condition of roads. At the direction of the Committee, Department of Natural Resources and Energy officials also took steps to encourage licensees to put roads in one year in advance of commencing operations.

During visits to cutting sites, it was found that the quality of roads was directly linked to a number of factors: the commitment of the land owner, licensee or sub-licensee to maintain roads; the size of the cutting block; the duration of the contract and ground conditions as affected by weather. Licensee roads tended to be better. The worst roads were found on private woodlots and on some of the sub-licensees' cutting

areas. Although roads were not always considered satisfactory, the roads were in much better condition than those depicted on the cover of A Long Road Ahead.

E. A Health and Safety Strategy

The three areas of concern with respect to workplace conditions in the logging and silviculture sectors are employee provided living accommodations, health and safety conditions on the job, and forest road conditions.

This Committee supports the principle that workers living in employee provided living accommodations, "batch camps", should have access to potable water, showers and flush toilets.

A review of the statutes of New Brunswick, indicates that the Health Act allows the Minister of Health and Community Services to make rules, orders and regulations with respect to sanitary requirements of lumbering camps. As well, the statute allows medical health officers to close a temporary dwelling (stationary or movable) where it is found to be unfit for human habitation by reason of lack of repair, inadequate plumbing, want of cleanliness or any condition that might endanger the health of the occupant(s) of the building or the public.

The "batch camp" guidelines developed by the Occupational Health and Safety Commission have improved the situation with respect to employee-provided living accommodations. However, in light of Health and Community Services' legislative mandate respecting the protection of the public's health, the Department has been asked to develop "batch camp" guidelines consistent with requirements outlined in the Health Act. Health and Community Services' "batch camp" guidelines will be modeled after those developed by the Occupational Health and Safety Commission, with terms and conditions consistent with the Health Act. Occupational Health and Safety and Natural Resource and Energy officials will work with Health and Community Services in developing these guidelines.

Occupational Health and Safety and Natural Resources and Energy officials will also work with Health and Community Services in implementing the new guidelines as well as monitoring batch camp conditions. Occupational Health and Safety officials visiting work sites in the forest can advise Health and Community Services where an infraction of the guidelines occurs as well as assist Health and Community Service

officials in accessing the site. Natural Resource and Energy officials can provide similar assistance when visiting work sites on Crown land.

Although health and safety conditions at the logging and silviculture worksite have improved, there is still work to be done.

If the Province is to insure a safe working environment, there is a need for on-the-job training programs to improve the skill level of the workers. As well, requirements with respect to personal protective equipment on the job need to be re-evaluated and on-site supervision must be increased to ensure worker safety.

Finally, although major highways cannot be built into each logging and silviculture worksite, steps can be taken to ensure that the road infrastructure meets certain standards so that workers can be evacuated in the event of injury or fire.

Poor roads cause vehicles to wear out more quickly and increase the time required to reach work sites. Increased travel time impacts on worker safety and productivity. In addition, if roads are not maintained, it takes more time to evacuate workers in the event of injury or emergency.

Access roads to cutting areas must be made serviceable before the start of operations and maintained for the duration of the work period.

F. Recommendations

7. The Ministerial Committee recommends that the Department of Health and Community Services develop guidelines under the Health Act to govern employee-provided living accommodations in the logging and silviculture sectors.

8. It is further recommended that the new living accommodation guidelines under the Health Act be modeled after the Occupational Health and Safety Commission guidelines.

9. The Ministerial Committee recommends that Occupational Health and Safety and Natural Resources and Energy Officials provide assistance to Health and Community Services in monitoring batch camp conditions.

10. The Ministerial Committee recommends that the regulations to the Occupational Health and Safety Act be revised to clarify the responsibilities of employers with respect to supervision.

11. The Ministerial Committee recommends that the Occupational Health and Safety Commission review the effectiveness of current education and enforcement strategies with respect to the wearing of personal protective equipment on the job.

12. The Ministerial Committee recommends that the regulations for the evacuation of woodsworkers be revised and that specific information be available to employers as to their responsibilities.

13. The Ministerial Committee recommends that the Department of Natural Resources and Energy encourage licensees to build or upgrade access roads at least one year in advance of utilization.

4. LABOUR MANAGEMENT RELATIONS

A. Industrial Relations Act

In New Brunswick, every employee has the right to be a member of a trade union and to participate in lawful union activities. The provisions governing employee and employer freedoms and rights in general industry are found in sections 2 through 9, inclusive, of the Industrial Relations Act.

The provisions of the Act which govern the establishment of bargaining rights are found in sections 10 through 20, inclusive. Where an application for certification is made, the Industrial Relations Board determines the wishes of the employees and the appropriateness of the bargaining unit. If the Board is satisfied that the unit is appropriate and that a majority of the employees in the bargaining unit are members in good standing, it may certify the union without a vote. If the Board is satisfied that not less than 40 percent and not more than 60 percent of the unit are members in good standing, the Board may direct a representation vote and if more than 50 percent of the ballots of those eligible to vote are cast in favor of the union the Board certifies the union[1]. A union may also request a prehearing vote when the application for certification is filed - in this case the Board conducts a vote and the ballots are set aside until the parties have an opportunity to make representation to the Board. In addition, where an employer or trade union contravenes the freedom and rights provisions of the

[1] In determining the number of eligible voters for the purposes of a vote, "employees who are absent from work during voting hours and who do not cast their ballots shall not be counted as eligible" (subsection 14(4)).

Act so that the true wishes of the employees are not likely to be ascertained, the Board may certify or not certify the trade union as the case may be.

The Act sets out specific provision governing time limits for the giving of notice to bargain and third-party assistance in the form of conciliation and mediation officers when an impasse in bargaining is reached. If, despite third party assistance, the parties are unable to reach agreement, the Act provides recourse to strike/lockout action as a final resort to effecting a settlement.

There are three provisions in the Industrial Relations Act which apply specifically to the logging sector. These three provisions are found in section 1 of the Act - in the definition of "logging operation" and "limit holder"[1] and in subsection 1(4) which deals with the question of who is the "employer" where the "limit holder" (licensee/sub-licensee) carries out the logging operations or where the "limit holder" (licensee/sub-licensee) engages contractors to carry out the logging operations on the land for which he is the "limit holder" (licensee/sub-licensee).

B. Observations

Eighteen percent of the work force in the logging sector are unionized. Collective agreements governing conditions of employment of the unionized work force include such things as piecework rates for different classes of wood and cutting methods, scaling of wood on the same day each week, workers receiving a copy of the scale slip within 48 hours of scaling, check scales where workers are not satisfied with the scale, a specific day of the week designated as pay day, a detailed pay stub attached to the cheque, vacation pay benefits, paid public holidays, floating holidays and bereavement leave, employer sponsored group insurance plans, travel time or travel allowance where workers travel beyond certain distances, safety equipment and first-aid lists supplied by the employer, boarding camps with required amenities, spare chain saws rented on a temporary basis, education leave and access to company training courses.

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[1] The definitions of "limit holder" and "logging operation" in section 1 of the Industrial Relations Act follow:

"'limit holder' means the holder of the right to cut timber or the owner of the land or the holder of a Crown timber license, a Crown timber sub-license or a Crown timber permit, issued under the Crown Lands and Forests Act."

"'logging operation' without restricting the generality thereof, includes the felling, cutting into logs, barking in the forest, cartage, piling, driving, loading and highway transportation of timber but does not include the processing thereof outside the forest;"

Eighty-two percent of woodsworkers are not unionized. The terms and conditions of employment for these workers are determined by the employer on an individual basis and the employer is required by law to ensure that these terms and conditions meet the standards set out in the Employment Standards Act.

Thirteen percent of the workers surveyed during the course of this study were members of the Association des Bûcherons du N.-B.. The Association has attempted, without success, to negotiate agreements with contractors. Individual employers have been unwilling to sign an agreement with the Association although some contractors have signed individual agreements or contracts with individual employees who are members of the Association.

The level of unionization for the New Brunswick labour force is considerably higher (27.1 percent) than that found amongst the woodsworkers surveyed. The issue as to whether there are impediments to the unionization of woodsworkers under the provisions of the Industrial Relations Act has been a bone of contention for some time now. Concerns have been raised on numerous occasions - by unions, by employee associations, by A Long Road Ahead.

Because of the seasonal nature of the work and the short duration of operations, work may be finished before the certification process is completed. In addition, if a certification bid is successful, it has been suggested that it is easy for a licensee/sub-licensee not to use the contractor who has been certified when the next cutting season arrives.

Organized labour and employees contend that employers blacklist employees who get involved in the union or the association. It is also alleged that it is difficult to prove "unfair labour practices" and employees are hesitant to get "involved".

C. A Labour-Management Relations Strategy

The government was specifically requested to amend section 1(4) of the Industrial Relations Act so that each licensee would be the employer for all employees working on their license. Section 1(4) reads as follows:

> 1(4) For the purposes of this Act, the limit holder shall be deemed to be the employer of all the employees engaged in logging operations on or with respect to the land for which he is the limit holder except that, where the limit holder files with the Board a list in a prescribed form of *bona fide* contractors engaged in such logging operations, the list shall be *prima facie*

evidence that the persons named therein are the employers of the employees or respective employees under this Act.

While sympathetic to the concerns raised by union and employee association representatives, this Committee concluded that such a course of action does not seem appropriate at this time. Under the Industrial Relations Act, the employer of the employees is the "employer" for purposes of the Act. To amend section 1(4) in the manner suggested for the logging and silviculture sectors would be a major departure from present policy and could have possible implications for other sectors as well.

Nevertheless, although the law states that all employees have the right to be members of trade unions and participate in lawful union activities, it appears that a large group of workers perceive there are impediments to unionization in the logging sector.

There are many similarities between the logging and silviculture sectors and the construction industry. Specifically, the seasonal nature of the work, moving from one geographical location to another, the short duration of the work and the number of contractors. Legislators deemed it necessary to enact special provisions in the Industrial Relations Act to deal with the unique character of the construction industry. However, similar provisions were not enacted for the logging and silviculture sectors.

If the provisions applicable to the construction industry applied to the logging and silviculture sectors, this could have a fairly significant impact on industrial relations. A closer look at the construction provisions of the Act reveal that:

Certification

- the Industrial Relations Board could certify a union for a geographic area (s. 40(1)) and the Board could designate the whole or any part of the Province as the geographic area covered by the certification (s. 40(2));

- the Industrial Relations Board would not have to take into consideration any increase in the number of employees in the bargaining unit after the date of the application for certification (s. 40(3));

- the Industrial Relations Board could issue "interim" certifications to expedite certifications - the Board may certify or dismiss an application for certification without a hearing (s. 40(5)) *(It might be noted that the Board has to hold a hearing*

at the request of either party (within ten days) and the original order of the Board can be varied or revoked.);

- the terminal dates set by the Board are shorter - under the Regulations to the Industrial Relations Act the terminal date for an application applicable to the construction division is four and not more than six days (s. 84) versus five and not more than twelve days for general industry (s. 2) - this makes the certification process speedier;

Decertification

- the Board could entertain an application for decertification in a shorter time frame (s. 42) - i.e., employees could bring an application for decertification within six months after the date of certification if the union does not conclude a collective agreement or within six months following expiration of the collective agreement (s. 42(1)) whereas the provision governing general industry is one year (s. 23(1));

Accreditation

- the Board could entertain an application for accreditation - where a trade union or council of trade unions has been certified (or granted a voluntary recognition agreement) for more than one employer in the industry, an employers organization representing a **majority** of the employers who employed a **majority** of the employees could be accredited as the bargaining representative of all the employers in the industry (s. 44). (*It might be noted that this provision would allow the Board to determine the geographic area to be covered and the unit of employers that is appropriate [i.e., issuing separate accreditation orders for the logging and silviculture sectors or combining the two];)*

- the rights, duties and obligations of employers, employers' organization, union and council of trade unions are clearly set out where an employers' organization is accredited by the Board (s. 47, 51);

Decertification of Employers' Organizations

- provisions are in place for the decertification of an accredited employers' organization (time frames and limitations set out in s. 49);

Bargaining

- the bargaining process could be expedited - the parties could be required to meet within ten days of giving notice to bargain (s. 41(1)), the provision governing general industry is 20 days (s. 34(1)). As well there are special provisions (s. 41(2) and (3)) governing the time frames for third party intervention in the bargaining process - i.e., extending the reporting date of the conciliation officer or mediator, and reducing the time frame for the conciliation board report (in the construction industry the time frame for the board report is seven and fifteen days versus fifteen and thirty under the provisions governing general industry (s. 68(1) and (2));

Collective Agreements

- the Act is clear that a collective agreement continues in the absence of employees (s. 43));

- the collective agreement between an accredited employers organization and a union or council of trade unions is binding on all the employers represented by the accredited employers' organization; and

- time frames for arbitration are reduced - for example, where a dispute arises between the parties as to the interpretation of the collective agreement and the matter is referred to arbitration, the arbitrator has to render an award within five days from the termination of hearings (s. 75(2)) - in general industry the award must be made within three months after the date of the appointment (s. 75(1)).

D. Recommendations

14. Because of the similarity between the construction industry and the logging and silviculture sectors, the Ministerial Committee recommends that the Industrial Relations Act be amended to provide that provisions similar to the special provisions governing the construction industry also apply to the logging and silviculture sectors.

5. HUMAN RESOURCE PLANNING

A. Human Resource Programs

Human resource planning is an effective tool for assisting businesses to move into the future by identifying demand for personnel by occupation, assessing the availability of qualified labour supply, identifying the gap between supply and demand, and determining strategies that will eliminate potential problems.

The Department of Labour Employment Service and Employment Development Branches, have a variety of programs,

- to help employers develop human resource plans,
- to provide various types of assistance to workers affected by sudden closures or large scale layoffs, and
- to provide employment stimulus to the public and private sector using a number of different programs.

Once a plan is developed, government programs and services can be accessed. Where necessary, new programs can be put in place - i.e., training programs, and employment development programs. To the extent that companies are able to accurately make projections and share this information with government, public programs can be geared to address the real needs of employees and employers.

Evidence is growing that human resource planning improves worker-management harmony and benefits not only the parties but the community as well. Indications are that sound human resource planning means more and better jobs - that it is a sound investment in the future.

Adjustment Services

Adjustment is the term used for those programs which assist laid off workers in finding alternate employment either within or outside their present area of work. Workers whose skills are no longer in demand, older workers and workers with little or no education are placed in particularly difficult positions when operations cease at their place of employment.

A number of adjustment programs are currently available from the Employment Services Branch of the Department of Labour. What is appropriate in one situation may not be appropriate in another so the key to a successful adjustment programs is participation. With the participation of all the parties, the right strategy can be developed to meet the needs of a particular situation. Employees, employers, government - everyone works together.

Job Creation

Because of the number of unemployed woodsworkers, there have been a number of endeavors to stimulate employment in the logging and silviculture sectors by using job creation programs. Because it is impossible to identify who is a woodsworker - the people who worked on these jobs are not always woodsworkers. The net result is an increase in the number of woodsworkers. Now these workers are looking for additional employment opportunities - an opportunity to use the skills gained in the previous employment - in most cases silviculture work.

In developing job creation programs, there needs to be more dialogue between government, industry and the workers to ensure that programs are meeting needs - natural resource and human resource needs.

B. A Human Resource Strategy

The Department of Natural Resources and Energy requires that licensees submit plans detailing various aspects of their operations with respect to the natural resource. By monitoring these plans the Department can ensure that plans are adhered to and supply/demand requirements for the future are assured.

If the Department of Natural Resources and Energy required that licensees provide **advance notice** to the Department when the level of workers on the license was going to decrease, either by reason of layoff or by virtue of the fact that workers would not be recalled, appropriate adjustment plans could be developed to assist the displaced workers.

On receipt of the **advance notice** of displacement, Department of Natural Resources and Energy officials could take appropriate steps to ensure the Departments of Labour and Advanced Education and Training were aware of the projected

displacements. These Departments could then undertake appropriate action with respect to training programs and adjustment programs.

Furthermore, with proper human resource information and the **sufficient lead time**, programs can be implemented so displaced workers can receive training on the operation of new machinery. This will improve the efficiency of operators, reduce down-time of machinery, make the work place safer and generally increase the return on the investment.

Whenever possible, industry should assist workers displaced due to mechanization. Some of these workers should be given an opportunity to work on silviculture programs, others should be trained to operate/service new equipment. Industry could benefit greatly from the good-will associated with such endeavours.

Forty-nine percent of the employees interviewed during the course of this study had less than grade nine education, 67 percent of these employees were under 40. The education level of woodsworkers adds serious limitations on the degree of retraining and the structure of training initiatives. An important element of the human resource strategy in the logging and silviculture sectors hinges on the effectiveness of a literacy training program. The Department of Advanced Education and Training has developed an effective program to provide literacy training. Employer co-operation would greatly assist the Department in making employees aware of the service and in motivating employees to participate.

C. Recommendations

15. The Ministerial Committee recommends that licensees be required to inform the Department of Natural Resources and Energy where it is anticipated that there will be a significant displacement of their own workers or the workers of other employers on their license.

16. It is further recommended that on receipt of notice of displacement, that the Department of Natural Resources and Energy advise the Departments of Labour and Advanced Education and Training so that these departments can develop appropriate adjustment and training programs to assist displaced workers.

17. The Ministerial Committee recommends that the Department of Labour establish adjustment mechanisms to assist displaced woodsworkers in adapting to new and changing work environments.

18. The Ministerial Committee recommends that the Department of Advanced Education and Training immediately establish a co-ordinating committee with membership from the Department and the forest industry for the purpose of implementing a plan to deal with the literacy level of workers in the logging and silviculture sectors.

19. It is further recommended that industry be encouraged to develop adjustment programs using displaced woodcutters in their silviculture operations.

6. TRAINING

A. An Assessment of Training Needs

Through active dialogue between government and industry, the Department of Advanced Education and Training endeavours to ensure labour market training needs are being provided.

In the past, the logging sector absorbed many of the employees displaced in other sectors of the economy, this is no longer in the best interest of the industry or the worker. Qualified professional workers are required in the logging and silviculture sectors.

Not all workers have the knowledge and skill necessary to be safe, productive workers nor do all contractors possess the skills required to run an efficient operation. In some cases workers have poor work habits, in other cases equipment is poorly maintained or cutting operations are not well organized.

Skills training is required for workers using mechanized harvesting equipment; as well, upgrading programs are required for workers using conventional harvesting methods. New harvesting machinery is both expensive and complex. Training programs need to focus on such things as the basics of hydraulics, diesel engines, and basic principles of machine operation.

The long term strategy for training must include monitoring factors which signal a need for adjusting training programs including such things as Workers' Compensation Board data and changes in government and industry policy. As well, Advanced Education and Training must move to develop a cadre of trainers and programs that can be delivered at the stump.

A review of training initiatives during the period 1962 - 1988 reveals that there has been little attempt to develop a long-term training strategy for the logging and silviculture sectors. Furthermore, despite the fact that there is funding available to the logging and silviculture sectors for training and development through the Canadian Job Strategy Training Trust Fund, there has been no concerted effort on the part of industry to assess long-term needs and priorities and access those funds.

When workers are displaced, training programs must also be developed to ensure that woodsworkers are able to move into new job opportunities. To ensure new job opportunities are available, the Province must attract new industry.

In an effort to develop an inventory of persons working in the logging and silviculture sectors, it was found that no complete inventory of the work force currently exists. Such information would greatly facilitate the design and delivery of training programs.

If all members of the work force and all contractors were required to register and registration was monitored, information with respect to the exact number and location of the work force would be available. Training and adjustment programs could be designed to better meet the needs of both groups.

B. A Training Strategy

A more co-ordinated approach to training in the logging and silviculture sectors is required - on the part of industry and government. To achieve this goal, it is critical that information be available on the number and location of the workers and contractors. To ensure that this type of information is available, a system of certification or licensing is required.

To maximize the return on the investment in our forest sector, workers and contractors must be properly trained. Workers need to know how to work safely in the woods and maximize earnings. Workers must also keep pace with technological change. Contractors need training in some basic business skills as well as logging and silviculture operations. The Department of Advanced Education and Training needs to increase the training programs available at the stump and the number of instructors who can provide this training.

In particular, the industry should be accessing available resources to address some of its training needs - such as the Training Trust Fund under the skill investment option of Canadian Job Strategy.

Training is the one thing which will "open the door" for woodsworkers. However, many workers fail to take training because they must forego unemployment insurance benefits and their family cannot survive - they are caught in a catch 22 situation. When Project 45 was undertaken several years ago, the federal and provincial governments were able to devise a solution to this problem. Similar initiatives should be undertaken immediately so there are no deterents to upgrading skills.

The day has gone when our work force in the logging and silviculture industries can expect to make one skill last through a lifetime or to stay permanently in the same occupation, industry or location. It is evident that a positive human resource policy is required especially when one considers the acceleration of technology, mechanization and skill obsolescence.

C. Recommendations

20. The Ministerial Committee recommends that industry establish a Training Trust Fund under the skill investment option of the Canadian Job Strategy.

21. The Ministerial Committee recommends that the Department of Advanced Education and Training, in co-operation with industry, immediately develop a cadre of trainers as well as a means to monitor and react to logging and silviculture sector training needs.

22. It is further recommended that the Department of Advanced Education and Training expand its ability to deliver woodsworker related training in the field and programs that can be delivered at the stump.

23. The Ministerial Committee recommends that the Department of Advanced Education and Training develop a strategy with a view to implementing a system of certification for woodsworkers.

24. It is further recommended that the Department of Advanced Education and Training co-ordinate discussions between officials from that Department, the Department of Labour and the Occupational Health and Safety Commission, and

develop recommendations as to the appropriate method for enforcement of certification and/or licensing of woodsworkers.

25. The Ministerial Committee recommends that the government immediately initiate dialogue with the federal government to allow eligible individuals to receive unemployment insurance benefits while they are upgrading their skills and training.

7. EMPLOYMENT DEVELOPMENT

This report would not be complete without taking a look at the natural resource strategy that will lead the industry into the 1990's. If we are going to look to the forest resource to develop employment opportunities, we cannot deal with the human and natural resource in isolation. The two are interwoven. The workers' interests in fair and equitable employment and the employers' interests in a reasonable return on investment are tied to the future of our forest resource. The future of our forest resource lies in sound forest management planning.

Sound forest management policies must be in place if the maximum number of employment opportunities are to be developed - in the logging and silviculture sectors as well as in the forest-based manufacturing or processing industries. These policies must deal effectively with the critical natural resource development issues: harvesting, silviculture, resource utilization, scaling and access to the forest resource.

A. Harvesting our Forest

The method of harvesting our forest resources has evolved considerably over the years.

The type of system used depends on a variety of factors - the end product, the terrain, the forest condition (age/specie distribution), and the level of mechanization (power saw, skidder, pulpjack, koehring feller forwarder, mechanical delimber, slasher, rottne system, bruks chipper). One system is not available nor suitable to all situations. The level of mechanization varies from company to company. There are advantages and disadvantages to all harvesting systems.

The method of harvesting has a tremendous impact on production. For example, using the most labour intensive harvesting method - the trail cut system - it would

require 11,372 woodsworkers cutting an average of 6.7 cubic meters working 120 days to cut 9,143,000 cubic meters of wood. At the other end of the spectrum, using the least labour intensive harvesting method, the mechanical shortwood system, the same area could be cut by 1,081 woodsworkers working the same period (120 days) cutting 70.5 cubic meters a day. As already stated, one harvesting system is not available nor suitable in all situations. Nevertheless, one cannot overlook the significant impact of harvesting methods on production and the work force, the importance of qualified workers to operate the machines to ensure maximum productivity when companies adopt mechanized harvesting methods, and the impact of the harvesting method on the aesthetic value of the land. Indeed a number of small woodlot owners expressed the concern that they are very reluctant to have their land clear cut as it ruins the aesthetic value of their land for years to come. These woodlot owners preferred the more traditional harvesting methods.

With the introduction of large pieces of sophisticated equipment, many of our woodsworkers have been displaced without advance warning. It appears that the "safety nets" in place to assist workers in other sectors seem to have been missing. Furthermore, those workers who have been retained to work on large pieces of equipment often receive no special training and are not properly qualified to carry out the work.

As noted in the section dealing with "human resource planning", there must be more effective communication between government and industry with respect to mechanization. If communication is improved, it will be possible to minimize the negative impact of mechanization on workers. Special adjustment plans and job creation initiatives can be developed to assist the workers displaced due to mechanization. Training programs can also be developed for workers to assist them to become qualified to operate new equipment or to move to other sectors of the economy.

B. Silviculture Treatments

Silviculture is the process of tending a forest. It includes such things as replanting cut-over areas, thinning stands of young trees which have too many trees per hectare, or cleaning those tree stands which have been invaded by wild trees to such an extent as to hamper the growth of the planted trees.

The Crown Lands and Forests Act, Subsection 38(2), states that subject to the regulations and the provisions of any agreement between the licensee and the Minister, the Minister shall reimburse the licensee for such expenses of forest management as are

approved and carried out in accordance with the operating plan. This includes expenses with respect to pre-commercial thinning, site preparation for artificial reforestation, tree planting, tending of artificial plantations, and protection against fire, insect and disease.

There is a maximum amount of silvicultural effort that will result in an immediate increase in the sustainable harvest. Beyond this maximum, the silvicultural effort will not result in an immediate increase in the sustainable harvest. Data relative to the current age class distribution of the forest resource enables officials to project maximum silvicultural treatments which could increase the sustainable softwood harvest.

The objective of the silviculture effort is to maximize production from the forest resource and to provide employment - in the planting, harvesting and processing of the resource. Programs are in place to ensure Crown land and large industrial freehold silviculture treatment programs are in order. In addition, negotiations are underway to increase funding under the Forest Renewal Agreement for silviculture treatments on private woodlots. Coupled with this, there must be some effort to educate the private woodlot owner about the importance of managing their forest resource as well as a commitment on the part of the private woodlot owner to ensure a return on tax payers investment.

The importance of silvicultural treatment both in terms of ensuring supply of the forest product as well as providing employment opportunities, is recognized. Planning is a critical element to the silviculture effort - planning for silviculture treatment on private woodlots as well as for Crown land and large freeholds. An important part of that planning process must be to ensure silviculture training for workers and contractors.

C. Resource Utilization

The Department of Natural Resources and Energy compiles and maintains data on the utilization of timber in the Province. Data is available on the type of industry using the fiber, the land ownership from which timber is harvested, species used and timber imports and exports. Sawmill residues such as wood chips and sawdust are also recorded when they are used as a source of primary fiber.

The importance of proper sorting procedures to ensure logs are separated from pulpwood to get the most from the forest resource cannot be over stressed. As well, it is important to find increased uses for hardwood to ensure the most effective use of our forest resources.

The ALCELL process being developed by Repap's Miramichi Pulp and Paper mill in Newcastle will create new jobs and a new market for hardwood. New development initiatives such as this need to be supported to ensure that whenever possible, new markets are opened. Particular emphasis should be placed on higher value added products.

The importance of developing ways and means to maximize the benefits from our forest resource is recognized. There are instances where some wood which meets the criteria for conversion into sawlogs is used for pulpwood. In particular, private woodlot owners need to be better educated so that they can get a greater return on their investment. There is also a need to increase the economic value of our forests, by increasing the number of industries with higher value added contents. Finally, although we are using more of our hardwood resource, if more markets could be found for hardwood, the harvest of hardwood products could be better integrated with that of softwood.

D. Measurement (scaling) of our Forest Resource

The Scalers Act requires that all timber cut on Crown land or marketed through a producer association (marketing board, co-operative and other association established for the marketing of primary forest products) be scaled by a licensed scaler.

A scaler is charged under section 11 of the Scalers Act to scale all wood fairly and correctly. Scalers are regularly checked by Department of Natural Resource and Energy scalers to ensure that all scaling is done in accordance with the Act and regulations.

The units of measure accepted by Regulation 83-190 are stacked cubic meter, cubic meter, mass in either tonnes or kilograms, board feet, by the piece, or lineal meter.

Each year the Department of Natural Resources and Energy looks at scaling arrangements in the Province. The survey completed last year (1987/88) provides the method of scaling, the location of scaling, the method for payment of royalty and the scaling method used to pay the cutter (see Appendix C). This document illustrates the number of different methods used and the complexity of the scaling system in general. During 1987/88 545 check scales were carried out on 128 scalers, in no case was the difference greater than the permissible +/- 3 percent.

The system in place for the measurement of primary forest products for the payment of royalty has been designed to ensure that wood is fairly and accurately measured. The Committee finds the scaling system effective for the payment of royalties.

It is important to have well-qualified scalers to undertake the measurement of our forest resource.

E. Access to the Forest Resource

The road system used to access our forest resources consist of roads which fall under the mandate of the Department of Transportation and those that fall under the Crown Lands and Forests Act.

The Department of Transportation must maintain the highways which fall within its jurisdiction. In addition, the Department of Natural Resources and Energy requires that licensees include in their twenty-five year management plan information with respect to road construction and maintenance. The management plan is revised and brought up-to-date every five years. The regulations under the Crown Lands and Forests Act prescribe classes of forest roads and standards for construction and maintenance of these roads.

The regulations to the Crown Lands and Forests Act indicate that all forest roads are part of the permanent road system providing access for forest management activity, mineral resource development and recreational use. Specific criteria must be met with reference to the construction and maintenance of the roads.

During the course of this study, generally there was no problem accessing work sites. However, it is important to bear in mind that the study was carried out during the summer months.

The roads leading to the forest resource are important, both in terms of removing our forest products and in carrying out silvicultural treatment programs - planting and thinning. It is important that forest roads be put in one year in advance and that minimum standards set out in the regulations be enforced.

At the same time, it must be borne in mind that the expenditure on road infrastructure must be kept within reason. Our access roads cannot be the same quality as our main highways.

F. An Employment Development Strategy

It is clear that our human resource strategy and natural resource strategy cannot be treated in isolation. The two are interrelated. A training strategy cannot be developed without looking at the work to be undertaken as well as the skills and abilities of the workers and contractors.

Our harvesting methods are evolving. Workers must be trained so they can operate new equipment, other workers require upgrading with respect to conventional harvesting methods. One harvesting method is not appropriate to all situations. In particular, private woodlot owners have expressed concern about clear cutting, indicating that they favour conventional harvesting methods.

Where workers are displaced due to technological change, licensees must provide appropriate notice so that adjustment plans and programs can be put in place to assist workers. As well, the general economic environment must be improved so that alternative employment will be available to displaced workers.

Particular emphasis must be placed on silviculture programs in the private woodlot sector to ensure the future supply of our forest resource. To achieve this objective, there must be better communication with private woodlot owners. In addition, regional management plans must be developed for the private woodlot resource.

Finally, steps must be taken to ensure that our forest resources is better utilized through industries providing higher value added products.

G. Recommendations

26. The Ministerial Committee recommends that the level of silviculture activity be increased and that particular emphasis be placed on private woodlots.

27. It is further recommended that additional government resources be allocated to facilitate development of overall forest management plans for each marketing board region and communication with and education of private woodlot owners about the importance of forest management.

28. The Ministerial Committee recommends that government continue to encourage entrepreneurial activity in the forest sector particularly that which yields higher value added products.

8. CONCLUSION

New Brunswick is very fortunate to have an abundant, thriving forest resource and employers and workers in the logging and silviculture sectors who work hard to meet the challenges offered by the forest. The future of the logging and silviculture sectors lies with developing these resources - natural and human - to their maximum potential. This requires ingenuity, resourcefulness and commitment, on the part of government, employers and workers - to work together in dealing with the problems and opportunities confronting the logging and silviculture sectors.

The full potential of our forest resource will not be maximized if the focus of government and industry is limited to the recommendations generated by this report. This report must be used as a starting point, as a vehicle to stimulate dialogue and action. There is no room for complacency.

The importance of the logging and silviculture sectors to our economy must be recognized. Working and living conditions in the logging and silviculture sectors must be established in recognition of the important role of woodsworkers. Adjustment and training programs must be industry specific - recognizing the unique needs of the workers and the industry. Development initiatives must be future oriented - recognizing immediate benefits in terms of employment opportunities today as well as future benefits in terms of employment opportunities in the harvesting and processing of the resource.

The logging and silviculture sectors can no longer absorb our displaced workers. To maximize the return on the forest resource requires skilled, committed woodsworkers and employers. In addition, the fact that many workers and employers have been displaced due to mechanization, cannot be overlooked. These people have made a significant contribution to this sector and now need training so they can operate new equipment or, if they choose, move into other areas. In the context of the overall economy - new jobs must be generated, new industries must be developed.

Employers and workers in the industry are to be commended for their hard work and commitment to this point. However, the future demands that we develop plans and strategies that will ensure that this hard work and commitment will continue to pay off.

This government is committed to work with the parties to ensure a bright and prosperous future.

PART III: SUMMARY OF RECOMMENDATIONS

The challenge as we move into the 1990's is to develop a strategy for the logging and silviculture sectors which ensures fair and equitable treatment of the workers recognizing the employers interests in return on investment.

1. The Ministerial Committee recommends that government accept the recommendations of the Minimum Wage Board - that it is not appropriate at this time to establish a special minimum wage schedule for workers involved in the logging and silviculture sectors on Crown land.

2. The Ministerial Committee recommends that government review annually the new scaling policy for non-unionized workers on Crown land to determine if improvements are required.

3. It is further recommended that Employment Standards officials continue to work closely with Natural Resources and Energy officials with respect to the new scaling policy.

4. The Ministerial Committee recommends that the Department of Natural Resources and Energy continue to employ individuals to carry out random spot checks of scaling on Crown land.

5. The Ministerial Committee recommends that the Department of Natural Resources and Energy develop a brochure or information package designed to increase the woodsworkers understanding of the measures used in scaling.

6. The Ministerial Committee recommends that the human resource allocation to the Employment Standards Branch of the Department of Labour be increased and that the Department immediately initiate an Employment Standards education and enforcement program to ensure employees and employers are aware of their rights and obligations under the Employment Standards Act to ensure that proper payroll records are being kept by employers and to ensure that employees are being paid within the time limits set out in the Act.

7. The Ministerial Committee recommends that the Department of Health and Community Services develop guidelines under the Health Act to govern employee-provided living accommodations in the logging and silviculture sectors.

8. It is further recommended that the new living accommodation guidelines under the Health Act be modeled after the Occupational Health and Safety Commission guidelines.

9. The Ministerial Committee recommends that Occupational Health and Safety and Natural Resources and Energy Officials provide assistance to Health and Community Services in monitoring batch camp conditions.

10. The Ministerial Committee recommends that the regulations to the Occupational Health and Safety Act be revised to clarify the responsibilities of employers with respect to supervision.

11. The Ministerial Committee recommends that the Occupational Health and Safety Commission review the effectiveness of current education and enforcement strategies with respect to the wearing of personal protective equipment on the job.

12. The Ministerial Committee recommends that the regulations for the evacuation of woodsworkers be revised and that specific information be available to employers as to their responsibilities.

13. The Ministerial Committee recommends that the Department of Natural Resources and Energy encourage licensees to build or upgrade access roads at least one year in advance of utilization.

14. Because of the similarity between the construction industry and the logging and silviculture sectors, the Ministerial Committee recommends that the Industrial Relations Act be amended to provide that provisions similar to the special provisions governing the construction industry also apply to the logging and silviculture sectors.

15. The Ministerial Committee recommends that licensees be required to inform the Department of Natural Resources and Energy where it is anticipated that there will be a significant displacement of their own workers or the workers of other employers on their license.

16. It is further recommended that on receipt of notice of displacement, that the Department of Natural Resources and Energy advise the Departments of Labour and Advanced Education and Training so that these departments can develop appropriate adjustment and training programs to assist displaced workers.

17. The Ministerial Committee recommends that the Department of Labour establish adjustment mechanisms to assist displaced woodsworkers in adapting to new and changing work environments.

18. The Ministerial Committee recommends that the Department of Advanced Education and Training immediately establish a co-ordinating committee with membership from the Department and the forest industry for the purpose of implementing a plan to deal with the literacy level of workers in the logging and silviculture sectors.

19. It is further recommended that industry be encouraged to develop adjustment programs using displaced woodcutters in their silviculture operations.

20. The Ministerial Committee recommends that industry establish a Training Trust Fund under the skill investment option of the Canadian Job Strategy.

21. The Ministerial Committee recommends that the Department of Advanced Education and Training, in co-operation with industry, immediately develop a cadre of trainers as well as a means to monitor and react to logging and silviculture sector training needs.

22. It is further recommended that the Department of Advanced Education and Training expand its ability to deliver woodsworker related training in the field and programs that can be delivered at the stump.

23. The Ministerial Committee recommends that the Department of Advanced Education and Training develop a strategy with a view to implementing a system of certification for woodsworkers.

24. It is further recommended that the Department of Advanced Education and Training co-ordinate discussions between officials from that Department, the Department of Labour and the Occupational Health and Safety Commission, and develop recommendations as to the appropriate method for enforcement of certification and/or licensing of woodsworkers.

25. The Ministerial Committee recommends that the government immediately initiate dialogue with the federal government to allow eligible individuals to receive unemployment insurance benefits while they are upgrading their skills and training.

26. The Ministerial Committee recommends that the level of silviculture activity be increased and that particular emphasis be placed on private woodlots.

27. It is further recommended that additional government resources be allocated to facilitate development of overall forest management plans for each marketing board region and communication with and education of private woodlot owners about the importance of forest management.

28. The Ministerial Committee recommends that government continue to encourage entrepreneurial activity in the forest sector particularly that which yields higher value added products.

APPENDICES

LICENSE BOUNDARIES

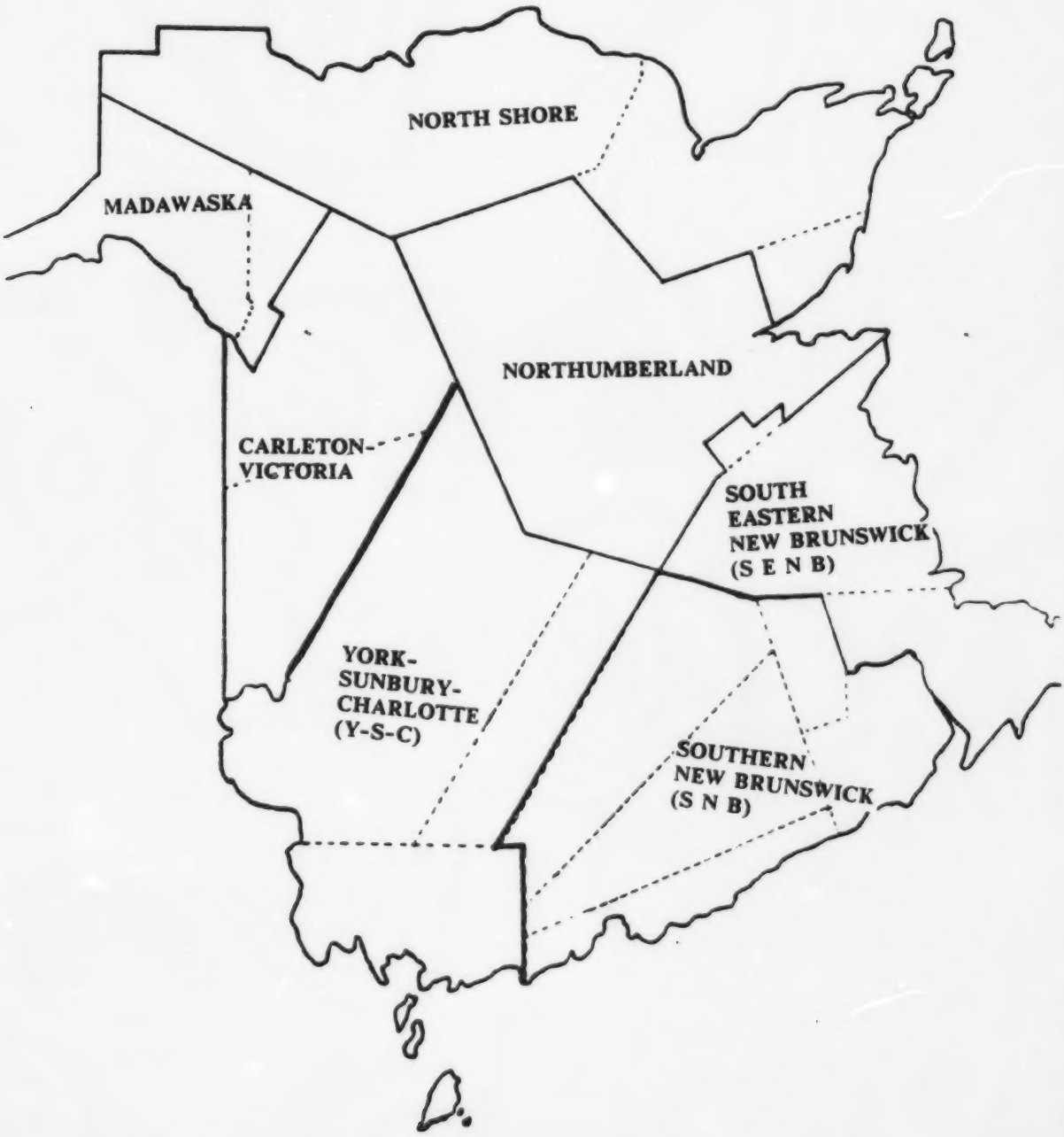
PROVINCE OF NEW BRUNSWICK

LIGNES DE DÉMARCATION DES CONCESSIONS

PROVINCE DU NOUVEAU-BRUNSWICK

License Number	License Name	Licensee's Name
1	Upsalquitch	N.B.I.P. Forest Products Ltd.
2	Nepisiguit	Consolidated-Bathurst Inc.
3	Lower Miramichi	Miramichi Pulp & Paper Inc.
4	Upper Miramichi	Miramichi Pulp & Paper Inc.
5	Kent	Atlantic Waferboard Inc.
6	Queens-Charlotte	J. D. Irving Limited
7	Fundy	Rothesay Paper Limited
8	York	St. Anne-Nackawic Pulp & Paper Company Ltd.
9	Carleton	Juniper Lumber Co. Ltd.
10	Restigouche-Tobique	Fraser Inc.

MAP
of
NEW BRUNSWICK FOREST PRODUCTS MARKETING BOARDS



STATISTICS

NEW BRUNSWICK'S FOREST PRODUCTS MARKETING BOARDS 1988

Board	Hectares	No. Owners	AAC($000M^3$) Softwood	AAC($000M^3$) Hardwood
Carleton-Victoria	177,933	3,700	140	174
Madawaska	98,780	2,200	80	93
North Shore	264,953	7,300	255	229
Northumberland	142,808	3,600	167	84
South Eastern N.B.	295,011	7,600	320	204
Southern N. B.	446,829	5,000	375	345
York-Sunbury-Charlotte	368,233	6,000	310	283

Source: 1. Timber Management, DNRE
2. R. S. MacLaggan

SCALING ARRANGEMENTS FOR 1987/88

Licensee	Operator	For Royalty Payment	Scale Location	For Cutter Payment	Scale Location	Comments
NBIP	NBIP operators	All Koehring wood is mass scaled and converted to m^3 for royalty payment.	Mill	Koehring operators are paid on an hourly rate per machine hour.	N/A	
		All tree length wood is mass scaled and converted to m^3 for royalty payment.	Mill	Unionized cutters are paid for tree length scale on the class system (pre-negotiated price) similar to CBI Roger Lake Camp.	Bush	
	NBIP contractors	Royalty paid on delivered volume scale.	Mill	Contractor paid on delivered volume scale but cutters paid either 1. daily wages (per hour worked) or 2. cutters paid on NBIP product (bush) scale. Cutter gets scale bill before wood may be moved. - This type of payment has not/is not an issue with cutters.	Bush	
	Sub-licensees	Royalty paid on 2-cm size class volume from DNR approved table.	Bush	Cutters are paid on same scale - but the payment varies by Sub-licensee 1. some cutters are paid on 2-cm size class scale, and 2. some cutters are paid on class system.	Bush	

SCALING ARRANGEMENTS FOR 1987/88

Licensee	Operator	For Royalty Payment	Scale Location	For Cutter Payment	Scale Location	Comments
NBIP	Sub-licensees			Either the number of pieces are marked on the pile or the cutter receives a scale bill, unless other mutually acceptable arrangements made.		
CBI	CBI	Swd tree length (S,bf,jP) is slashed and royalty and slasher paid on stacked volume.	Bush	The SWD tree length scale at the Roger Lake Camp (CPU unionized workers) is a piece scale by class for cutter payment yet royalty is based on stacked volume. This has not been perceived as a problem in the past.	Bush	
		Hwd tree length is slashed and royalty paid on stacked volume.	Bush			
		Trail cut pulpwood and studwood swd is scaled in stacked volume.	Bush			
		Trail cut logs scaled in m^3 in trails and royalty paid on scale.	Bush	The scale for royalty payment and the scale for cutter payment are exactly the same scale for all other scaling arrangements, whether CBI, Small Contractors or Sub-licensees, including N.A.F.P.	Bush	
	Small contractors Sub-licensees (except N.A.F.P.)	All swd and hwd tree length slashed at roadside and royalty paid on stacked volume.	Bush			
		Logs scaled in m^3 or f.b.m. for royalty.	Bush			
	N.A.F.P.	All swd is scaled and reported in tree length form.	Bush			

SCALING ARRANGEMENTS FOR 1987/88

Licensee	Operator	For Royalty Payment	Scale Location	For Cutter Payment	Scale Location	Comments
CBI	N.A.F.P.	Hwd tree length is slashed and royalty paid on stacked volume.	Bush)	See above comments	Bush	
		Hwd logs scaled in m^3 or f.b.m. for royalty.	Bush)		Bush	
Atlantic Waferboard	Contractors & Sub-licensees	Softwood and hardwood pulpwood and studwood are hot-logged.	Mill	Cutters paid on same scale.	Mill	
		Logs, lathwood and fuelwood are product scaled.	Bush	Cutters paid on same scale.	Bush	
Miramichi Pulp & Paper Inc. (Lower)	MPP & most Sub-licensees	Tree length softwood, slashed at roadside and product scaled.	Mill/ Bush	Unionized cutters are paid on same scale.	Mill/ Bush	
		Tree length hardwood is slashed at roadside and product scaled.	Bush	Unionized cutters are paid by the piece on a small butt scale.	Bush	
	Anderson (Contr)	Trail cut operation product scale for swd pulpwood.	Mill	Cutters paid on same scale.	Mill	
		Hwd pulpwood and veneer bush scaled.	Bush	Cutters paid on same scale.	Bush	
	Russell & Swim	Scaled by product.	Bush	Cutters paid on same scale.	Bush	
	Burchill	Scaled by product.	Bush	Cutters paid on same scale.	Bush	
	Gilks	Scaled by product.	Mill	Cutters paid on same scale.	Mill	

SCALING ARRANGEMENTS FOR 1987/88

Licensee	Operator	For Royalty Payment	Scale Location	For Cutter Payment	Scale Location	Comments
Miramichi Pulp & Paper Inc. (Lower)	Tobique	Scaled by product.	Mill	Cutters paid on same scale.	Mill	
Miramichi Pulp & Paper Inc. (Upper)	MPP & most Sub-licensees	Same as MPP Lower				
	Burchill	same as MPP Lower				
	Newcastle Lumber	Pulpwood is product scaled 50/50.	Mill/Bush	Cutters paid on same scale.	Mill/Bush	
		Logs product scaled.	Mill	Cutters paid on same scale.	Mill	
	Underhill	Product scale.	Mill	Cutters paid on same scale.	Mill	
	Terra Nova (Rayonier)	Product scale.	Bush	Cutters paid on same scale.	Bush	
J.D. Irving/Rothesay (Region 2)	Contractor	Swd operations north of Plaster Rock-Renous Hwy is mass scaled at Deersdale.	Mill	Cutters paid on same scale.	Mill	
		Small percentage of volume is produced as logs.	Bush	Cutters paid on same scale.	Bush	
		South of Plaster Rock-Renous Hwy the operations are tree length to roadside and product scaled for royalty.	Bush	Cutters are paid on same scale for swd tree length but are paid on small butt scale for hwd.	Bush	
	Russell & Swim, Gilks, Sadler	Scaled by product Licensee/ Sub-licensee.	Bush	Cutters paid on same scale.	Bush	

SCALING ARRANGEMENTS FOR 1987/88

Licensee	Operator	For Royalty Payment	Scale Location	For Cutter Payment	Scale Location	Comments
J.D. Irving/Rothesay (Region 3)	Contractors & Sub-licensees	Mass scale on some blocks as an experiment.	Mill	Same scale for payment of cutters.	Mill	
		Tree length swd is small butt scaled for royalty payment.	Bush	Same scale for payment of cutters.	Bush	
		Tree length hwd is slashed at roadside and royalty paid on product scale.	Bush	Cutters are paid on small butt scale.	Bush	
		Some swd products are produced and scaled by product.	Bush/Mill	Same scale for payment of cutters.	Bush/Mill	
J.D. Irving/Rothesay (Region 4)	Contractor & Sub-licensees	Mass scale on some blocks.	Mill	Same scale for payment of cutters.	Mill	
		Tree length/product scale.	Bush	Cutters paid on same scale.	Bush	
		Hardwood is product scaled.	Bush	Same scale for payment of cutters.	Bush	
		Cedar is tree length scaled.	Bush	Same scale for payment of cutters.	Bush	
	Sub-Licensee (Devon Lumber)	Product scale on pulpwood and studwood.	Mill	Same scale for payment of cutters.	Mill	
		Sawlogs are product scaled.	Bush	Same scale for payment of cutters.	Bush	
St. Anne	Contractor	Royalty paid on mass scale for most products.	Mill	Cutters are paid on tree length scale.	Bush	
		Cedar, hwd sawlogs and swd sawlogs are product scaled.	Bush	Cutters are paid on tree length scale.	Bush	

SCALING ARRANGEMENTS FOR 1987/88

Licensee	Operator	For Royalty Payment	Scale Location	For Cutter Payment	Scale Location	Comments
Juniper	Contractor	All swd is tree length scaled.	Bush	Cutters are paid on same scale.	Bush	
		Hwd is mass scaled at St. Anne	Mill	Cutters are advanced pay on basis of piece count and final pay adjusted on mass scale.	Mill	
	Crabbe	Product scale.	Bush	Cutters paid on mill scale.	Mill	
Fraser	Fraser	Tree length swd operations are small butt scaled.	Bush	Same scale for payment of unionized cutters.	Bush	
		Hardwood is product scaled.	Bush	Same scale for payment of unionized cutters.	Bush	
		Conventional skid and manual slash is product scaled.	Bush	Same scale for payment of unionized cutters.	Bush	
	Sub-Licensee	Swd products are small butt scale or product scale.	Bush	Same scale for payment of cutters.	Bush	
		Hwd is initially scaled in tree length form but adjusted later on product scale.	Bush	Cutters are paid on small butt scale.	Bush	